Software Asset Management (SAM)

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The State of Montana recently experienced an audit of software installations and usage by the software vendor Attachmate, and was found to be in a state of non-compliance with software licenses.

Software Asset Management is a key part of the plan of the State of Montana to address the issue of gaining control in achieving software compliance.

Software Asset Management

- What is SAM?

- Software asset management is the business discipline by which companies optimize their investment in software assets.

- SAM is a set of processes, policies, practices, and tools for managing the life cycle of software.

Purpose of SAM

➢ Harness the maximum value and control from our investment in software.

➢ Manage software assets to avoid 2 MAIN RISKS:

    1) RISK of non-compliance for under-licensing

    2) RISK of overpaying for unused licenses

Danger Zone!

- Software Compliance Audits

- Watchdog Groups

- Horror Stories

Dilbert Says.....
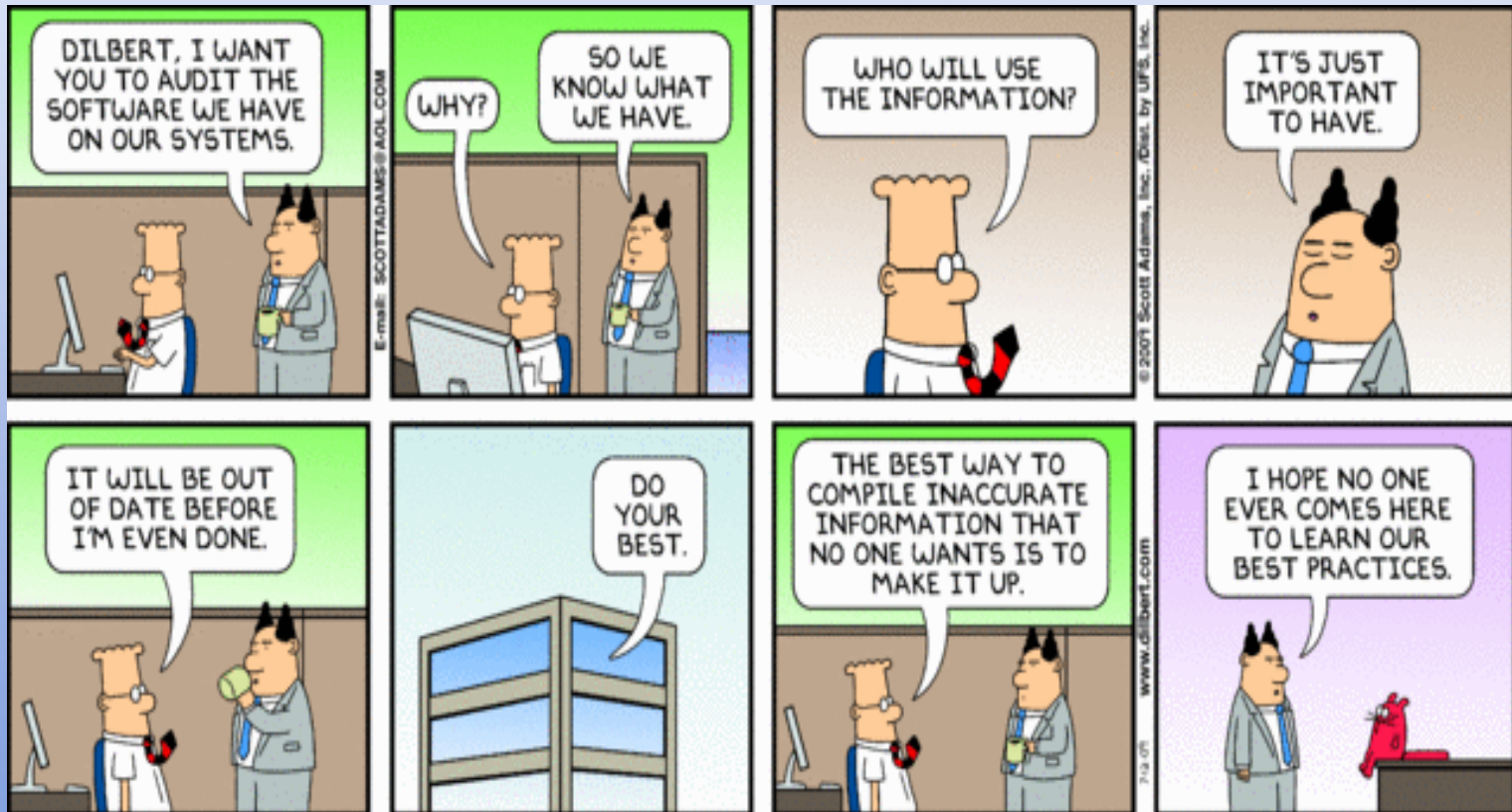
Software Compliance Audits

• Number of audits increasing as software publishers look for revenue

• Risk Factors of Audits

• Cost of Fines and Penalties if Found Non-Compliant Can Be High

       - Attachmate

• Cost of Negative Publicity for the State if Found Non-Compliant

• Ignorance or Innocence No Excuse

      - Use of Software MUST Match License Entitlements in End User License Agreements (EULAs)

Watchdog Groups

- Business Software Alliance (BSA)

- Software Industry & Information Alliance (SIIA)

Horror Stories

• Australian Engineering Firm Must Pay Crippling Bill For Ten Years Compensation for Copyright Infringement

•Texas firm out $100k

•Bickel

•Payless

•Brazil advertising company

Risks of Illegal Software

• Fines of up to $150,000 per infringed title (U.S. Copyright Act, Title 17)

• Lack of product support

• Blemished reputation – "Hey, You Were the One's Busted"

• Possible criminal charges against managers/directors

• No product warranties, possible virus penetration

Are You a Pirate?

• Don't Become An "Accidental Pirate"

• 5 Basic Ways of Pirating Software

1) Softlifting
2) Internet
3) Hard-disk loading
4) Renting
5) Counterfeiting

Compliance Tips for Software Licenses

- If You Don't Have A License for the Product, Don't Install It!

- Shareware Software – Either Buy the License When Trial Period Is Up, Or Uninstall the Product

- Annually Renewable Software Is What It Is

- Identify and Remove Illegal and Unsupported Software

- Read the Software License Agreement for Usage Rights and Inform Your Users

- Make Sure You Have the Legal Right to Copy or Distribute Copies

Compliance Tips for Software Licenses

- DIRR!
    - Discovery
    - Inventory
    - Reconciliation
    - Reporting

- Must match Installation and Usage to License Entitlement Records

Benefits of SAM

Save Money

Get Peace of Mind

Help Keep Our Data Safe

Improve Business Performance

Asset Management = L+I+U

➤ Want to harness the maximum value and control from our investment in software.

➤ Manage software assets through three lenses:

- Vendor View – what are we licensed for? License requirements determined from *ownership* data.

- IT View – what have we deployed? License requirements determined from *inventory* data.

- Business View – what is our usage? License requirements determined from *usage* data.

ITIL Recommendations for Approaching SAM

- Set a vision

- Set goals and objectives

- Define detailed strategy

- Clarify roles and responsibilities

- Define policies and procedures

- Determine software inventory

- Undertake reconciliation of installed versus licensed software

SAM Vision

The SAM mission is to provide effective management, control and protection of software assets within the State of Montana.

3 GOALS:

    1) Cut Costs!

    2) Gain Control!

    3) End License Compliance Concerns!

BASELINE ASSESSMENTS – Where Are We Now?

We will be conducting a SAM Self-Assessment using ISO/IEC 19770-1.

- ISO/IEC 19770-1 based on SAM industry best practices.

- ISO/IEC 19770-1 is a standard for SAM concerned with the entire lifecycle of the applications in use on networks, from purchasing to disposal.
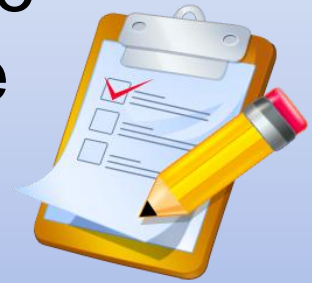
Scope of ISO/IEC 19770-1

- Standard sufficient to satisfy corporate governance requirements and ensure effective IT service management

- Establishes baseline for integrated set of 27 processes for SAM within 6 areas

ISO/IEC Framework

- **Organizational Management Processes for SAM**

  1) Control Environment
     - Corporate Governance Process for SAM
     - Roles and Responsibilities for SAM
     - Policies, Processes and Procedures for SAM
     - Competence in SAM

  2) Planning and Implementation Processes for SAM
     - Planning for SAM
     - Implementation of SAM
     - Monitoring and Review of SAM
     - Continual Improvement of SAM

ISO/IEC Framework continued

- **Core SAM Processes**
    3) Inventory Processes for SAM
        - Software Asset Identification
        - Software Asset Inventory Management
        - Software Asset Control
    4) Verification and Compliance Processes for SAM
        - Software Asset Record Verification
        - Software Licensing Compliance
        - Software Asset Security Compliance
        - Conformance Verification for SAM
    5) Operations Management Processes and Interfaces for SAM
        - Relationship and Contract Management for SAM
        - Financial Management for SAM
        - Service-level Management for SAM
        - Security Management for SAM

- **Primary Process Interfaces**

  6) Life Cycle Process Interfaces for SAM

  - Change Management Process
  - Acquisition Process
  - Software Development Process
  - Software Release Management Process
  - Software Deployment Process
  - Incident Management Process
  - Problem Management Process

Current SAM Implementation Plan

- **Target #1**: Completion of the SAM Self-Assessment using ISO/IEC 19770.

- **Target #2**: Establish an Employee Education Program for software compliance.

- **Target #3**: Purchase and implementation of SAM Tool.

- **Target #4**: Establish an Anonymous Employee Reporting Program.

- **Target #5**: Develop SAM policies, processes, and procedures.

- **Target #6**: Establish Relationships with Agencies.

- **Target #7**: Establish a Software Repository.

- **Target #8**: Develop WebPages for PCMB SAM information.

Questions? Comments?

- *SAM in a Nutshell:*

    - *Understand <u>what</u> we have*

    - *Understand <u>where</u> it is*

    - *Understand <u>how</u> it's used*

    - *Understand <u>how</u> it's licensed*

    - *Understand <u>when</u> it need to be upgraded or changed*

    - *Understand <u>who</u> is responsible*